

Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00 PA-02 PRS-01

SAM-01 /072 R

DRAFTED BY:XMB:AMOHANIAN/DGL

APPROVE BY:EB/IFD/ODF:RASWART

XMB:DOBEIM

EUR/WE:JLIMBRECHT(INFO)

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R 070007Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY MADRID

UNCLAS STATE 003053

E.O. 11652: N/A

TAGS: APUB, SP

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO SPAIN

FOLWG IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE LOAN
OF \$13,499,000 TO AVIACION Y COMERCIO, S.A. (AVIACO) OF SPAIN.
RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHDC FOR A.M.
PAPERS MONDAY, JAN 12, 1976.

QUOTE: EXIMBANK CREDIT OF \$13.5 MILLION SUPPORTS \$33.7
MILLION SALE OF U.S. JET AIRCRAFT TO SPANISH AIRLINE

TO SUPPORT A \$33,748,000 SALE OF FOUR NEW DC-9-33 CF JET
AIRCRAFT WITH RELATED GOODS AND SERVICES TO AVIACION Y COMERCIO,
S.A. (AVIACO) OF SPAIN, THE EXPORT-IMPORT BANK OF THE UNITED
STATES HAS AUTHORIZED A DIRECT CREDIT OF \$13,499,000. TWO OF THE
AIRCRAFT ARE SCHEDULED FOR DELIVERY BY THE MCDONNELL DOUGLAS
CORP. OF LONG BEACH, CALIF, IN MAY 1976, AND THE OTHER TWO
WILL BE DELIVERED IN JUNE 1976.

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THE AIRCRAFT WILL BE USED MAINLY ON SCHEDULED AND CHARTER FLIGHTS IN SPAIN, EUROPE AND AFRICA. THIS EXIMBANK SUPPORTED TRANSACTION IS THE THIRD IN A SERIES OF DC-9 PURCHASES BY AVIACO.

EXIMBANK'S CREDIT REPRESENTS 40 PERCENT OF THE U.S. COSTS. A CREDIT OF \$16,874,000 FROM COMMERICAL SOURCES NOT YET DESIGNATED WILL FINANCE 50 PERCENT OF THE U.S. COSTS. THE BORROWER WILL MAKE CASH PAYMENT OF 10 PERCENT OR \$3,375,000, REPRESENTING THE BALANCE OF THE U.S. COSTS.

EXIMBANK'S INTEREST RATE OF 9 PERCENT PER ANNUM, BASED ON A PRELIMINARY COMMITMENT AUTHORIZED EARLIER, COMBINED WITH THE INTEREST RATE ON THE COMMERCIALLY FINANCED PORTION, WILL RESULT IN AN ESTIMATED INTEREST COST TO THE BORROWER OF FROM 9 PERCENT TO 9.25 PERCENT PER ANNUM.

THE LOANS ARE TO BE REPAID OVER TEN YEARS, BEGINNING NOV 10, 1976, WITH EXIMBANK'S CREDIT TO BE REPAID OUT OF A PORTION OF THE 12TH INSTALLMENT AND ALL OF INSTALLMENTS 13 THROUGH 20. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY INSTITUTO NACIONAL DE INDUSTRIA (INI). UNQUOTE
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE003053
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMOHANIAN/DGL
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760004-0964
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760179/aaaacshq.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: castelsl
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by barnescd>; APPROVED <17 AUG 2004 by castelsl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO SPAIN FOLWG IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE LOAN
TAGS: APUB, SP
To: MADRID
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006